

Garden City Standards for the 21st Century

Practical Guides for Creating Successful New Communities

guide 9

long-term stewardship





Practical Guides for Creating Successful New Communities

Guide 9: Long-Term Stewardship

©TCPA. Living Draft, published December 2017

Town and Country Planning Association
17 Carlton House Terrace
London SW1Y 5AS
t: +44 (0)20 7930 8903
www.tcpa.org.uk

Acknowledgements

The TCPA is grateful for the generous support of the Lady Margaret Patterson Osborn Trust, Bournville Village Trust, and The Land Trust. The views expressed in this Practical Guide are based on policy analysis, research, case studies and feedback from practitioners and are not necessarily those of the Guide's sponsors.

**The Lady Margaret
Patterson Osborn Trust**



Cover photograph of public space and the primary school at Lightmoor Village courtesy of the Bournville Village Trust.

guide 9

long-term stewardship

contents

2	The TCPA Practical Guides
3	Summary
4	1 Introduction
	1.1 What is long-term stewardship, and who benefits?
	1.2 The purpose of this Practical Guide
5	2 The national policy context
	2.1 National Planning Policy Framework
	2.2 The Locally-Led Garden Villages, Towns and Cities programme
	2.3 Long-term stewardship considerations
	2.4 Modernising the News Towns Act – an opportunity for stewardship
	2.5 The Localism Act 2011 and rights and powers for communities
	2.6 Asset transfer
	2.7 Community-led housing
8	3 Stewardship bodies – overview
	3.1 Typical stewardship bodies
11	4 Funding opportunities
	4.1 Endowments
	4.2 Income earned from trading
	4.3 Public sector funding
	4.4 Maintenance and service charges
	4.5 Charitable funding
	4.6 Loans and equity finance
	4.7 Natural capital accounting – an emerging funding opportunity
15	5 Principles for success
	5.1 Planning for long-term stewardship
	5.2 Paying for long-term stewardship
	5.3 Running a stewardship body
	5.4 Considerations in planning for stewardship – overview
19	6 Case study approaches
	6.1 A commitment to stewardship by BVT at Lightmoor, Telford
	6.2 Green space stewardship by the Land Trust at Beaulieu, Chelmsford
	6.3 Community management at Chilmington Green, Ashford
	6.4 Stewardship through Local Plans in North Essex
	6.5 Managing community assets at Whitehill & Bordon
24	7 Sources of further information

The TCPA Practical Guides

Across the UK there is a shortage of housing, and it is increasingly understood that we need to plan and build new large-scale developments, in addition to renewing existing towns and villages. At the same time, many people worry that any new places built will be no more than soulless, unattractive dormitory suburbs. How can we prevent such outcomes? How can we ensure that new large-scale developments become socially and economically successful places – places that will improve over time, and in which people will want to live for generations to come? The answer lies in the Garden City development model – a proven way of funding, creating and maintaining successful high-quality places. A true Garden City is a place created following the Garden City principles, set out in the box below.



National planning policy guidance on a range of issues has been greatly reduced, so practical advice about how to create successful new places is more important than ever. The TCPA's Practical Guides – on location and consent; finance and delivery; design and masterplanning; planning for energy and climate change; homes for all; planning for arts and culture; planning for green and prosperous places; creating health-promoting environments; and long-term stewardship – are not detailed handbooks but instead set out the scope of opportunities for ambitious councils who want to create high-quality, large-scale new developments, whether or not they are able to follow all the Garden City principles. They highlight the key points for consideration and offer signposts to sources of further detailed information. They are 'living' documents that will be periodically updated to reflect key policy changes. Although they are focused on policy in England, the principles and key recommendations can be applied across the UK. The Practical Guides will help anyone attempting to create great places, for everyone, whether or not they describe what they are trying to achieve as a 'Garden City'.

The Garden City principles

A Garden City is a holistically planned new settlement that enhances the natural environment and offers high-quality affordable housing and locally accessible work in beautiful, healthy and sociable communities. The Garden City principles are an indivisible and interlocking framework for delivery, and include:

- Land value capture for the benefit of the community.
- Strong vision, leadership and community engagement.
- Community ownership of land and long-term stewardship of assets.
- Mixed-tenure homes and housing types that are genuinely affordable.
- A wide range of local jobs in the Garden City within easy commuting distance of homes.
- Beautifully and imaginatively designed homes with gardens, combining the best of town and country to create healthy communities, and including opportunities to grow food.
- Development that enhances the natural environment, providing a comprehensive green infrastructure network and net biodiversity gains, and that uses zero-carbon and energy-positive technology to ensure climate resilience.
- Strong cultural, recreational and shopping facilities in walkable, vibrant, sociable neighbourhoods.
- Integrated and accessible transport systems, with walking, cycling and public transport designed to be the most attractive forms of local transport.

The TCPA has produced an extensive set of policy and practical resources on Garden Cities, which can be found at <http://www.tcpa.org.uk/pages/garden-cities.html>

Summary

Delivering a successful new community requires a clear understanding of how assets generated by the development process will be managed in perpetuity. New Garden Cities must demonstrate how such management will be undertaken on behalf of the community. The stewardship task goes beyond the management of green space to cover the broadest range of community assets, including the active and positive management of everything from arts provision to commercial estates and utility companies. Putting local people at the heart of this process can generate increased local support, creativity, and entrepreneurialism. The right stewardship models can also provide reassurance for local authorities who may be worried about taking on the management of such assets at a time of increasing budgetary pressure.

There is a range of types of stewardship bodies – from those formed to take on responsibility for green space management, to private sector management companies and bodies set up under the ‘Letchworth model’, in which an organisation committed to charitable objectives with regard to a town commits to proactively share and reinvest money created through the town’s development and management in order to look after a range of community services, ranging from art to healthcare. Such bodies can take a range of organisational and legal forms, depending on the type of development, the delivery vehicle used, and the assets being managed. There are also a range of funding opportunities, including endowments, income earned from trading, public sector funding, maintenance and service charges, charitable funding, and loans and equity finance. Whichever model or approach is chosen, experience to date has demonstrated that a number of principles underpin success:

■ **Planning for long-term stewardship:**

- Long-term stewardship should be considered from the outset.
- Long-term stewardship is about linking public engagement and delivery.
- Planning for long-term stewardship involves thinking beyond the site boundary.
- Stewardship bodies can manage a wide range of community assets.
- Progress should be made one step at a time.

■ **Paying for long-term stewardship:**

- Revenue funding is essential for successful stewardship.
- Proactive management of land and property endowments can be profitable.
- Stewardship bodies should be entrepreneurial.
- Money can be saved through good design.
- Stewardship services should develop as the community grows.

■ **Running a stewardship body:**

- Good stewardship requires good governance.
- Investment in the right skills and capacity is crucial.
- Dialogue with residents must be maintained.

Many local authorities and private sector partners delivering new communities are interested in stewardship, and several have committed to the creation of some form of stewardship body and are actively seeking the right models and funding to make it work. The majority are at very early stages, and this Practical Guide will help them with next steps, but it also offers insights that will be valuable to those at any stage in the process.

1

Introduction

Community assets such as parks, community centres and public transport are vital elements of high-quality, attractive places, but the management arrangements and long-term funding necessary to maintain them are often considered only as afterthoughts to new developments. The Garden City movement built on a long and rich history of community rights, ownership and asset management in the UK, and today Letchworth Garden City remains a significant example of how the long-term stewardship of a whole town can work. The Garden City idea was predicated on a financial and governance model under which the community shared in the profits of development and had a long-term stake in the town's future through a system of participative democracy. Given the financial pressure on local authority budgets today, community stewardship approaches to managing facilities are now more relevant than ever, and offer an opportunity to put people at the heart of creating better places.

1.1 What is long-term stewardship, and who benefits?

Long-term stewardship of an asset simply means ensuring that it is properly looked after in perpetuity. Under the Garden City principles (set out on page 3 of this Practical Guide), stewardship is undertaken for the benefit of the community. 'The community' may be described as those living in or working in the town or village. There are many ways to undertake this stewardship, depending on the place, the team delivering the development, and, most importantly, the people who live in the new community.

Long-term community stewardship of local assets can benefit councils, developers and local communities alike. Councils know that new facilities will not be sustainable without well organised management structures supported by consistent revenue streams. Plans that set out how assets will be managed and funded from the outset (i.e. before they are built) will reassure local authorities that they will not be asked to take on unaffordable maintenance of new assets. For some assets, such as locally owned energy companies, councils may find that a new facility generates a significant and useful profit. A commitment to new community assets and a framework for their long-term maintenance provide reassurance for new and existing residents, and an opportunity for them to have genuine involvement in the development of their community. This can also be beneficial for developers, who can also use the early consideration of community assets to attract new investment and make the development more attractive to early residents and businesses.

1.2 The purpose of this Practical Guide

Many local authorities delivering new communities are now considering how to embed long-term stewardship in their developments. This Practical Guide is designed to provide local authorities and their delivery partners with a high-level overview of approaches that can be taken to the long-term stewardship of community assets. In 2014 the TCPA published a detailed report and guide on the subject, outlining the 'nuts and bolts' of long-term stewardship, as well as details of the different types of legal structures and financial approaches that can be used. This Practical Guide complements the earlier publication by drawing out the key information to introduce the topic, and then providing an update on the latest lessons offered from the experience of those currently developing approaches to stewardship in planning and delivering their new communities.

2 The national policy context

2.1 National Planning Policy Framework

The National Planning Policy Framework (NPPF) states (in para. 52) that:

*'The 'supply of new homes can sometimes be best achieved through planning for larger scale development, such as new settlements or extensions to existing villages and towns that follow the principles of Garden Cities.'*¹

In the 2017 Housing White Paper, *Fixing Our Broken Housing Market*,² the government committed to amend policy in the NPPF to encourage a more proactive approach by authorities to bringing forward new settlements in their plans. An updated NPPF is expected in spring 2018.

2.2 The Locally-Led Garden Villages, Towns and Cities programme

The government is supporting the delivery of new communities through its Locally-Led Garden Villages, Towns and Cities programme, which was launched in 2014 and is currently supporting the delivery of 14 'garden villages' of 1,500-10,000 homes, and ten 'garden towns' of 10,000 homes or more. Requirements for support are set out in a prospectus, which does not set standards for new communities but states that the government is not looking to support places which merely use 'garden' as a label to hide poor-quality development. Instead, it wants to 'support local areas that embed key garden city principles to develop communities that stand out from the ordinary'.³ However, without national standards or policy requirements in place, it will be up to those delivering these developments to commit to the Garden City principles and ensure that they meet the commitment to quality, affordability, and sustainability.

A more detailed summary of the Locally-Led Garden Villages, Towns and Cities programme is provided in another of the TCPA's Practical Guides series – *Guide 1: Locating and Consenting New Garden Cities*.⁴

2.3 Long-term stewardship considerations

One of the prioritisation criteria set out in the *Locally-Led Garden Villages, Towns and Cities* prospectus is the need for 'local leadership and community support' (para. 17). This not only means that new 'garden communities' should have the backing of the local authorities in

1 *National Planning Policy Framework*. Department for Communities and Local Government, Mar. 2012. <https://www.gov.uk/government/publications/national-planning-policy-framework--2>

2 *Fixing Our Broken Housing Market*. Housing White Paper. Cm 9352. Department for Communities and Local Government, Feb. 2017, para. A.57. <https://www.gov.uk/government/collections/housing-white-paperHWP>

3 *Locally-Led Garden Villages, Towns and Cities*. Department for Communities and Local Government, Mar. 2016, para. 11. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/508205/Locally-led_garden_villages_towns_and_cities.pdf

4 *Guide 1: Locating and Consenting New Garden Cities*. Garden City Standards for the 21st Century: Practical Guide for Creating Successful New Communities. TCPA, Nov. 2017. <https://www.tcpa.org.uk/guidance-for-delivering-new-garden-cities>



Letchworth Garden City Heritage Foundation, the successor to the original development company, is a self-funding organisation that reinvests its income for the long-term benefit of the local community

whose areas they are situated, but that expressions of interest (EOIs) should ‘demonstrate a strong local commitment to delivery’ (para. 17). This includes setting out both how the local community is being, or will be, engaged at an early stage and strategies for community involvement to help ensure local support.

The viability and deliverability of infrastructure must also be demonstrated in EOIs, recognising that ‘effective land value capture can play an important role in funding infrastructure costs’ (para. 22). The right stewardship model can help EOIs to demonstrate ‘a credible route to delivering quality places without additional public subsidy’ (para. 23). Infrastructure needs must be clearly assessed and met as part of any proposal.

The prospectus also encourages innovation in delivery – citing innovative forms of delivery such as off-site construction, self-build, custom-build and a direct commissioning approach, and innovation ‘in ways which we may not have anticipated’ (para. 28). A strong approach to long-term stewardship could provide an ideal opportunity for such innovation.

2.4 Modernising the New Towns Act – an opportunity for stewardship

Following its March 2016 commitment to update the New Towns Act 1981,⁵ the government has legislated in the Neighbourhood Planning Act 2017 to enable locally accountable development corporations to be set up. Further measures are due to be made through secondary legislation. However, local accountability is only one element of the modernisation required: place-making principles and requirements for long-term stewardship must be embedded in legislation. Further details are set out in the TCPA’s *Guide 2: Finance and Delivery*.⁶

5 *Locally-Led Garden Villages, Towns and Cities*. Department for Communities and Local Government, Mar. 2016, para. 43. https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/508205/Locally-led_garden_villages_towns_and_cities.pdf

6 *Guide 2: Finance and Delivery*. Garden City Standards for the 21st Century. Practical Guides for Creating Successful New Communities. TCPA, Nov. 2017. <https://www.tcpa.org.uk/guidance-for-delivering-new-garden-cities>

2.5 The Localism Act 2011 and rights and powers for communities

The Localism Act provides a particularly strong context for consideration of the long-term stewardship of assets. It introduced a new community tier of neighbourhood planning and several other measures aimed at empowering local communities and community groups to control the way that some services and facilities in their area are run. Communities can bid to run local services and permit development in certain areas without the need for a traditional planning application. Community powers introduced through the Act include the ‘community right to build’, the ‘community right to reclaim land’, and the ‘community right to bid’ (for assets of community value). The community right to build could provide an opportunity for local people to take forward development in the new community – be it in the form of homes, shops, businesses, or facilities.

2.6 Asset transfer

The ‘community right to bid’ requires local authorities to keep a list of assets of community value that have been nominated by the local community. If any of those assets come onto the market for sale or change of ownership, the local authority must provide sufficient time to allow community groups to raise funds and bid to buy the asset. Identification of community assets within a site for a large-scale new community could provide a powerful way of ensuring that the community has a stake in the new development.

2.7 Community-led housing

The government has offered support for a range of community-led housing models that should be accommodated when considering options for long-term stewardship. This includes support for self-build or custom-build homes. In December 2016 the government launched the £60 million Community Housing Fund⁷ to help local authorities and community groups deliver affordable housing aimed at first-time buyers, in response to the reduction in supply that can be caused by a proliferation of second homes. The 2017 Housing White Paper also included support for self- and custom-build homes.

⁷ ‘£60 million boost for communities affected by second homeownership’. Press Release. Department for Communities and Local Government, 23 Dec. 2016. <https://www.gov.uk/government/news/60-million-boost-for-communities-affected-by-second-homeownership>

3 Stewardship bodies – overview



There are numerous types of organisation that can look after community assets, here referred to collectively as ‘stewardship bodies’. Most community assets and services and most of the public realm could be managed by a stewardship body. Certain services and assets will already be run by the local authority; the role of a stewardship body that evolves through the development process is to add value for the community by managing assets and providing services which supplement those already provided by the council. The stewardship body might be completely independent of the local authority, like Letchworth Garden City Heritage Foundation, or a grassroots initiative such as Incredible Edible, or it might be an additional service provided by the local authority itself.

Stewardship bodies can take many forms. Suitable arrangements will vary from place to place and will depend on their function, the assets that are to be managed, and the types of finance arrangements needed. There may also be more than one stewardship body managing different assets or providing different services in a new community. The most appropriate model may also change over time, as the functions and activities of the stewardship body develop (and, for a developing community, as it progresses through the stages of project delivery). Some may be legal entities in their own right (for example community interest companies), while some (such as community land trusts, development trusts and housing associations) can adopt a number of different legal forms, depending on the activities that they are undertaking and what the organisation is aiming to achieve. A detailed overview of the different types of bodies, legal structures and funding opportunities can be found in *Built Today, Treasured Tomorrow – A Good Practice Guide to Long-Term Stewardship*.⁸

8 *Built Today, Treasured Tomorrow – A Good Practice Guide to Long-Term Stewardship*. TCPA, Jan. 2014. <https://www.tcpa.org.uk/built-today-treasured-tomorrow2014>

3.1 Typical stewardship bodies

Management companies

Probably the most commonly used form of stewardship body, management companies are set up to manage assets (land, property, or facilities) as part of a development. They are sometimes called community trusts or development trusts.

Community land trusts

Community land trusts (CLTs) are non-profit, community-based organisations run by volunteers that develop housing, workspaces, community facilities or other assets that meet the needs of the community. CLTs are owned and controlled by the community and can make sure that assets such as housing are made available at permanently affordable levels.

Development trusts

Development trusts are community organisations created to facilitate sustainable development in their area. They use self-help, trading for social purpose, and ownership of buildings and land to bring about long-term social, economic and environmental benefits in their community. They are similar to community land trusts but have no legal definition and can adopt a range of constitutional forms and business models. They have traditionally been used in the regeneration of an existing area rather than in the development of a new community.

Community interest companies

A community interest company (CIC) is a special type of limited company formed to benefit the community rather than private shareholders. CICs are set up to use their assets, income and profits for the benefit of the community they are intended to serve, and must embrace special features such as an 'asset lock', which ensures that assets are retained within the company to support its activities or otherwise used to benefit the community. A CIC is particularly suitable for those who are not aiming to make profits for individuals but do not want the administrative or governance burden of taking on charitable status. They are more flexible than some other legal forms of organisation, and there are a variety of capital structures available to meet their needs.

Industrial and provident societies

Industrial and provident societies are organisations conducting an industry, business or trade, either as a co-operative or for the benefit of the community. Letchworth Garden City Heritage Foundation is an example of this model.

Co-operative societies

Co-operative societies are run for the mutual benefit of their members, with any surplus income usually being reinvested in the organisation to provide better services and facilities. They often take the form of an industrial and provident society, but can take a number of different legal forms. There are a number of different types of co-operative society, which differ according to their core activity (for example housing co-operatives, consumer cooperatives, and worker co-operatives) but are all based on the same legal structure.

Housing associations or registered social landlords

Some housing associations or registered social landlords (RSLs) provide services to communities beyond their role as social landlords. They might be contracted by a local

authority to maintain the public realm or run community centres. They might themselves own such assets if there are facilities they have built as part of their own housing developments.

Energy service companies

An energy service company (ESCO) is a commercial structure created specifically to produce, supply and manage the local delivery of decentralised energy to larger, holistically planned developments.

Multi-utility services companies

A multi-utility services company (MUSCo) provides all the energy-related services of an ESCo but also provides telecoms and/or water services for the site.

Box 1

Bournville Village Trust

Bournville Village Trust (BVT) is one of the longest-established housing associations in the UK. Founded in 1900 by the chocolate manufacturer George Cadbury, BVT now looks after some 8,000 mixed-tenure properties in Bournville in inner-city Birmingham and in Shropshire at the new communities of Lightmoor and Lawley. As well as being a not-for-profit housing association providing rented housing, BVT manages supported housing, community facilities and landscaped areas on the Bournville estate, and an agricultural estate. Stewardship across its estates is governed by a number of key objectives:

- Manage communal areas and open spaces to a high standard.
- Protect the visual amenity of the estates.
- Promote and foster a sustainable community spirit.
- Operate a development control function.
- Provide and develop affordable, sustainable housing and good design.
- Promote and encourage resident involvement in BVT's decision-making processes.

BVT's estate management and stewardship services cost around £850,000 per year (based on 2016 figures). Services are funded through an annual management charge applied to each household (freehold titles contain a covenant to pay the charge). Annual management charges are set at approximately £250-£300 per household per annum. The maintenance charge to residents has been in operation for some time, and allows for the development of a sinking fund for future capital repairs and replacements.

BVT also helps to maintain a high-quality public realm through design covenants. Any alterations which significantly alter the external appearance of a home must comply with BVT's design guide.

BVT retains accountability by involving residents through its Estates Committee, meetings of village councils and resident associations, the Bournville freeholders and leaseholders association, and a 'village voices' panel. Each year it sends a 'what your charge pays for' document to each household.

4 Funding opportunities

There are a range of tried-and-tested ways of successfully funding and managing community assets for the long term. Most stewardship bodies will need two sources of finance:

- capital investment (including development capital – required at the start of an organisation’s life, but also throughout its existence for developing and piloting new ideas; growth capital – to purchase, develop or refurbish a building or land or to upgrade equipment; and
- working capital – helpful to support what may be an uneven cash flow); and a revenue stream (income necessary to cover everyday running costs and sometimes to fund capital investment – usually generated through services, contracts and/or income from trading).

A table detailing sources of revenue finance, whether they can also be used for capital finance, and the types of legal structure that allow those sources to be used is available in *Built Today, Treasured Tomorrow*.⁹ A summary is provided here.

4.1 Endowments

Endowments (usually in the form of land, property or finance) for long-term stewardship can be secured from planning and development processes such as section 106 agreements (also known as planning gain, planning obligations, or planning contributions) or the community infrastructure levy (CIL). Section 106 agreements are often used to secure capital funding for infrastructure, including community assets. Local authorities can also require that revenue funding for the ongoing management of community assets is provided (as a cash endowment or a land and property portfolio). The use of CIL as a revenue stream is dependent on the charging authority or a parish or town council specifying CIL’s use by the stewardship body.

Significant endowments and major gifts from individual philanthropists or charitable foundations can provide an asset base for the long-term development of an organisation. However, stewardship bodies should not take on assets without a clear source of income for management or maintenance.

4.2 Income earned from trading

Income can be earned through trading, either through an asset (such as hiring out premises) or by selling goods and services. An organisation may rely on one trading activity or on several, and the income generated may provide subsidy to other parts of the organisation. Stewardship bodies can earn income from trading before development begins by maximising opportunities for ‘meanwhile’ uses of land or buildings.

4.3 Public sector funding

Public sector grants and subsidies are a very common form of funding for many organisations, covering a wide range of purposes, with the nature and significance of objectives and conditions varying widely, but with no need for repayment.

⁹ *Built Today, Treasured Tomorrow – A Good Practice Guide to Long-Term Stewardship*. TCPA, Jan. 2014. <https://www.tcpa.org.uk/built-today-treasured-tomorrow2014>

The provision of land and/or property at a 'peppercorn' rent (i.e. at almost zero cost) by a public sector landlord is an important source of support for many community organisations, as it can save a significant amount of money. Such arrangements may be kept in place for years.

Public sector service commissions can provide some security of income. Contracts are generally for up to three years in duration; some cover core organisational costs, but some do not. The nature of the services provided are defined by the commissioning body. If public contracting forms a high proportion of a body's income, it could compromise its independence and make it over-reliant on the fortunes of the public sector.

The National Lottery distributes significant amounts of time-limited grant funding each year through a wide range of programmes, delivered through the Heritage Lottery Fund, the Big Lottery Fund, and UK Sport. Much of this is capital funding, but it is often accompanied by some revenue funding too.

4.4 Maintenance and service charges

Service charges are levied by landlords to recover the costs incurred in providing services to a dwelling. The way in which a service charge is organised is set out in the tenant's lease or tenancy agreement. The charge normally covers the cost of such matters as general maintenance and repairs, insurance of the building, and, where provided, central heating, lifts, portage, lighting, and cleaning of common areas, etc. The charges may also include the costs of management by the landlord or a professional managing agent and contributions to a reserve fund.

An estate management scheme allows landlords to retain some management control over properties, amenities and common areas in cases where the freehold has been sold to leaseholders. In many cases the aim of a scheme will be to ensure that the appearance and quality of the area as a whole is kept to a certain standard. However, a scheme can also provide for the upkeep of communal gardens or other common or shared facilities or areas. In this case it may permit the recovery of certain charges.

Some estate management schemes have been established by landowners or developers and are not the result of leaseholder enfranchisement. Income is sometimes generated through rent charges, but more often accrues through contractual arrangements.

4.5 Charitable funding

Charitable grants, both large and small, are a common form of funding, from a wide range of charitable institutions, varying in scale from local to international. Some funds are very flexible; some are quite prescriptive. There is rarely any long-term security of income, with grants often one-off in nature.

Donations (including legacies) are a common form of fund-raising for many charities seeking public financial support. This source of funding is more effective for certain types of charity – and requires some investment in fund-raising. The level of income secured is dependent on the body's profile and ability to compete for funding, and can be influenced by wider economic trends.



Green infrastructure at Bournville – natural capital accounting could help unlock investment for public parks

4.6 Loans and equity finance

Equity funding is a relatively small and new area of social finance. Only community interest companies and co-operatives can offer shares to the public, and there is a £20,000 limit to the amount that any individual can invest in a co-operative. However, the number of financial intermediaries willing and able to invest is growing.

Bonds are a new and small area of social finance. A very small number of bond issues are raising finance to support charities and social enterprises. Many types of organisations are able to issue bonds, providing they can meet certain conditions, but nearly all organisations can benefit from funds raised through bonds issued by others. There is currently only one example of the newly developed model of the ‘social impact bond’ (SIB). The nature of this investment is more akin to equity than bonds, given its inherent risks.

4.7 Natural capital accounting – an emerging funding opportunity

The relatively new discipline of ‘natural capital accounting’ is starting to provide evidence of how much green infrastructure ‘assets’ – the ecosystems services¹⁰ that these assets provide – are worth to society and business.¹¹ This growing body of international evidence is increasingly being reflected in regulatory requirements and policy. The natural capital accounting approach is not, at present, a direct source of ‘funding’ for long-term stewardship. However, it could be an important part of the evidence base to support investment in public parks, and may unlock investment from new sources where new green infrastructure reduces costs for other providers (for example where a development provides sustainable drainage with resulting in savings for water companies, or where the provision of new parks in a development results in significant savings for healthcare providers).

10 The UK National Ecosystem Assessment defines ‘ecosystems services’ as ‘the benefits provided by ecosystems that contribute to making human life both possible and worth living’. See the UK National Ecosystem Assessment’s ‘Concepts’ webpage, at <http://uknea.unepwcmc.org/EcosystemAssessmentConcepts/EcosystemServices/tabid/103/Default.aspx>

11 See *Demystifying Economic Valuation*. Valuing Nature Programme paper, Jun. 2016. <http://valuingnature.net/demystifying-economic-valuation-paper>; and the GIFT-T! project’s Green Infrastructure Valuation Toolkit, available at <http://www.gift-t.eu/manual/gi-business-plan/gi-valuation-toolkit>

Box 2

The Land Trust

The Land Trust is a national land management charity that identifies sustainable funding solutions for managing parks, green public open spaces and green infrastructure in perpetuity, to benefit communities. The Trust's approach is to take full ownership of all types of land, including non-developable land; take on the associated liabilities; and manage the land over the long term as good-quality open space. The Land Trust only takes land with a secured income, negotiating with partners to ensure that there is sufficient investment to manage and maintain the land in order to maximise the economic, environmental and social opportunities for local communities. It is a not-for-profit body and seeks to deliver charitable benefits from any land it takes on.

The Land Trust's funding model encompasses a number of options, including the endowment model, the residential service charge model, the planning system model (such as section 106 agreements and provision of 'suitable accessible natural greenspaces', or SANGs) or a hybrid solution.

Key to the Land Trust's ethos is the recognition that green spaces are vital for a healthy society and strong economy – and that it is having the long-term investment in place to enable these public spaces to be managed and maintained in perpetuity that makes the difference. Such investment enables the Land Trust to appoint a locally based partner, usually with local volunteers who play a pivotal role within the community – engaging local people and encouraging them to develop an 'emotional ownership' of the park so that it can reach its full potential.

The Land Trust uses the endowment and planning system models as its preferred approaches (as long as the level of investment is sufficient for managing the green space to a good standard in perpetuity), as up-front investment allows the Trust, along with the managing partner, to invest and plan for the long term from the outset. However, the Land Trust notes that a key challenge here is that early and up-front investment is often not available, and it is necessary to negotiate to ensure that the investment is sufficient for good-quality, long-term management.

Local authorities often base calculations for section 106 funds on around 15 years' costs, but the Land Trust has found that this is not sufficient to fund all the costs required for good-quality management of a green space over the long term, taking into account capital replacement costs over time. Instead, experience has shown that calculations need to be made based on at least 25 years of maintenance, to ensure in-perpetuity management.

Alternative options, often preferred by developers, are the service charge model, whereby the funding to manage the open space is taken on by a house-buyer, or a hybrid approach, incorporating an up-front endowment or commuted sum and service charge. The Land Trust has had positive experiences of these models and has service charge sites in its portfolio and pipeline, but they can work only if the right level of investment is received to allow good-quality management and maintenance to be provided.

5 Principles for success

5.1 Planning for long-term stewardship

Long-term stewardship should be considered from the outset

Long-term stewardship should be a consideration right from the very first stages of planning a new development – many funding opportunities can be secured only at the early stages (for example, site development briefs in Local Plans, CIL charging schedules, masterplans and section 106 agreements should include long-term stewardship considerations). Including policies for long-term stewardship in Local Plan policy can help to ensure that early consideration is given to the issue.

Long-term stewardship is about linking public engagement and delivery

Processes of engagement should address matters of stewardship. It should be determined whether there are existing community organisations, such as a community land trust, or whether processes of asset transfer are in train, with groups looking for land to build upon. Community needs and opportunities to meet them should be identified, and there should be local representation on delivery teams and partnerships. Often there will be existing formal governance structures such as parish councils, although a single parish council is unlikely to cover an entire area for larger sites. Parish councils and existing community groups could be partners and even beneficiaries of any stewardship body, so early conversations about how these structures might work together are essential.

Planning for long-term stewardship involves thinking beyond the site boundary

Dialogue and partnerships with neighbouring councils at all levels should be established at an early stage. Large-scale infrastructure such as sustainable drainage systems will require agreement from a number of partners and commitments over adoption at an early stage of the development process.

Stewardship bodies can manage a wide range of community assets

Community assets include a broad range of facilities and services, so it must be ensured that all opportunities for asset management by a stewardship body are considered.

Progress should be made one step at a time

Taking a staged approach to identifying the opportunities for stewardship in a new development and how it will be implemented allows for due diligence and community engagement throughout the development process.

5.2 Paying for long-term stewardship

Revenue funding is essential for successful stewardship

A long-term revenue stream is much harder to secure than up-front capital funding. Many funds, grants and public sector incentives are based on securing funds for capital investment such as landscaping parks or building community centres. The Homes and Communities

Box 3 The Parks Trust, Milton Keynes

Amazing-mk.co.uk



The Parks Trust in Milton Keynes was set up in 1992 to care for most of the city's green space and ensure that the green landscape would be managed and protected forever, without having to compete with other council priorities for funds. It was endowed with a substantial property and investment portfolio, income from which pays for its work in nurturing and enhancing the landscape. The Trust is entirely self-financing and manages over 5,000 acres of river valleys, woodlands, lakesides, parks, and landscaped areas alongside the main roads – about 25% of the new city area. A detailed case study on the Parks Trust can be found in *Built Today, Treasured Tomorrow – A Good Practice Guide to Long-Term Stewardship* (TCPA, Jan. 2014. <https://www.tcpa.org.uk/built-today-treasured-tomorrow2014>).

Agency has designed an open-source financial model which local authorities can use at no cost to prepare robust financial assessments.¹²

Proactive management of land and property endowments can be profitable

Increases in land and property values over time can provide a broad and reliable portfolio for investment, providing resilience and flexibility.

Stewardship bodies should be entrepreneurial

Income can be generated through trading activities and by hiring out buildings; opportunities for such activities need to be designed into a development project at an early stage.

Money can be saved through good design

The maintenance and running costs of buildings and landscapes need to be considered at the design stage. Energy-efficient buildings are cheaper to run. Community buildings should be designed to be flexible; for instance, a well designed building could operate as a nursery, an art gallery, or a community cinema – or as all three at once.

¹² Further details are available from Fionnuala Lennon at the Homes and Communities Agency, on Fionnuala.Lennon@hca.gsi.gov.uk

Stewardship services should develop as the community grows

Stewardship services might begin with a community house or officer to welcome the very first residents, but they should develop in an ongoing process. Care should be taken to consider how a stewardship body could expand its services or assets (or how additional stewardship bodies could be established) as the development is built out.

5.3 Running a stewardship body

Good stewardship requires good governance

There should be representation for local residents, councils and stakeholders on stewardships bodies, and consideration must be given to how representatives are elected, what their roles are, and how governance structures and activities are communicated to residents and other stakeholders. For longevity, ensuring the organisation cannot reverse its charitable commitments at a later date can provide reassurance for councils and local residents that the organisation's assets will not be compromised in the future.

Investment in the right skills and capacity is crucial

A stewardship body must have a specific purpose and members with a wide range of skills (for example in finance, communications, law, etc.) as well as an interest in the assets to be managed.

Dialogue with residents must be maintained

Whether assets are being run with, on behalf of or by the community, it is vital to understand what the community wants and their funding priorities. Using a range of different tools (such as community forums and social media) will help to give people a say in how their neighbourhood is run.

5.4 Considerations in planning for stewardship – overview

An overview of how to address stewardship considerations through the planning system is set out in Fig. 1 on the next page.

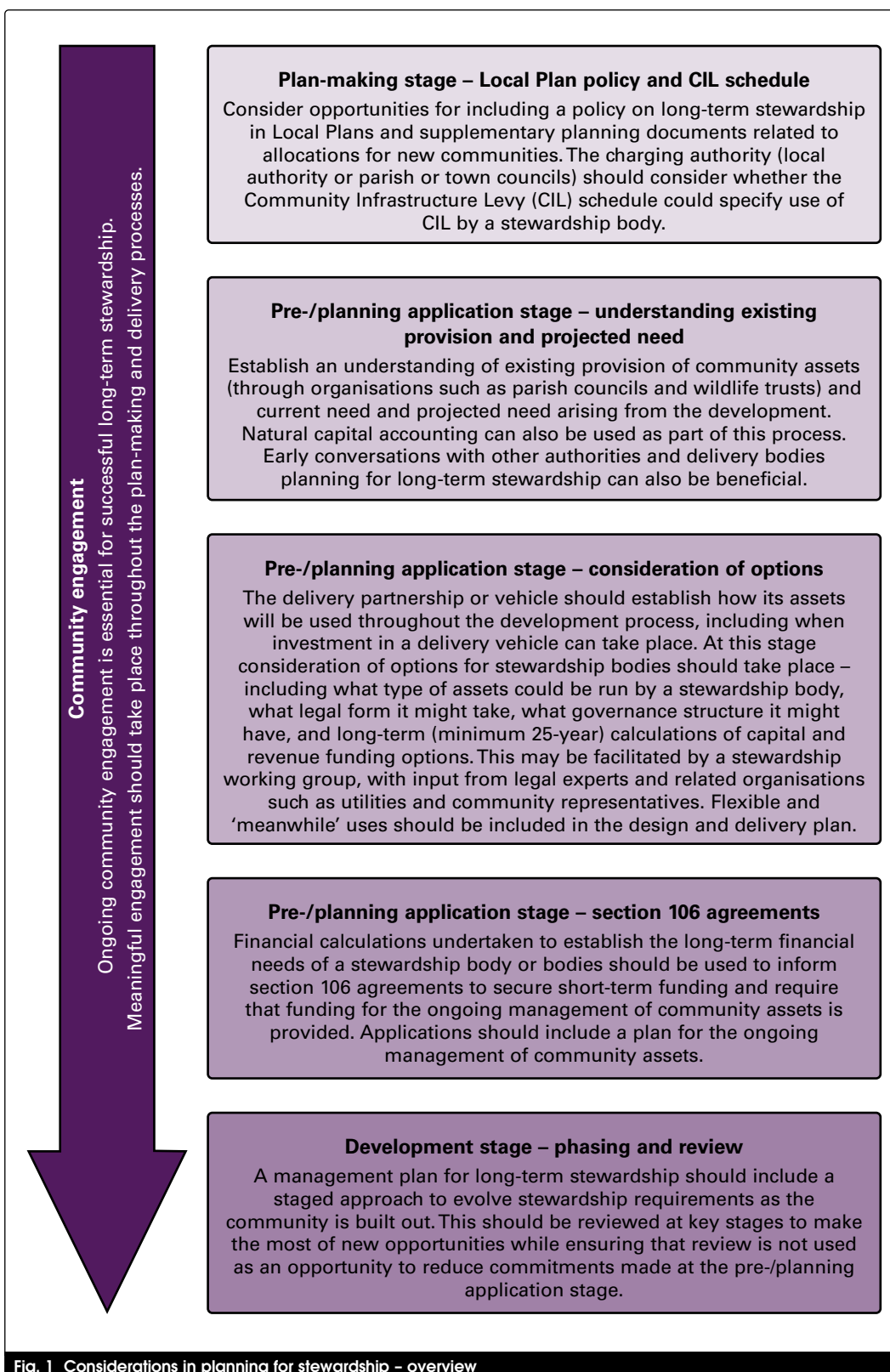


Fig. 1 Considerations in planning for stewardship – overview

6 Case study approaches

6.1 A commitment to stewardship by BVT at Lightmoor, Telford



The community orchard is part of BVT's stewardship at Lightmoor Village

Lightmoor Village in Telford, Shropshire, is a modern urban village development that, when complete, will consist of up to 1,000 homes, a school, a community facility, a playing field and parks, and a village centre, which includes shops and a nursery. The development is being undertaken as a joint venture by Bournville Village Trust and the Homes and Communities Agency, working closely with the local authority, Telford & Wrekin Council. The joint venture is committed to a high standard of development, incorporating several innovative features. One of the trustees' priorities in the development of Lightmoor Village has been to promote resident involvement in the governance structure, as well as in the life of the village.

As at Bournville itself, a strong emphasis is placed on providing the infrastructure needed to promote health and wellbeing and create a flourishing mixed community. Dwellings must reach the EcoHomes 'excellent' standard, and all homes owned and managed by the Trust are being built to Lifetime Homes standards. The Trust's commitment to community development and management sets it apart from many others, and its stewardship model is the vehicle used to meet its aims. The Trust owns the land, and properties are being sold freehold and leasehold with covenants in place. The covenants include a maintenance charge (which goes towards delivering community services, as well as providing a 'wear and tear' fund), obligations to maintain the properties, and a requirement to seek permission from the Trust for certain alterations.

A long-term commitment to management and maintenance, to ensure that it continues to flourish in 100 years' time and beyond, is an integral part of how Lightmoor is managed, and characteristics of the stewardship model include a design guide to control building alterations, a commitment to public and open space, and resident involvement and empowerment in decision-making – including through the Lightmoor Village Estate Management Committee. In 2015, the Trust held over 100 community events, and it plants a tree in the community orchard every time a child is born in the village – a nod to George Cadbury's original initiative at Bournville, where every garden was provided with a fruit tree.

Further information is available from <http://www.lightmoorvillage.org.uk/>

6.2 Green space stewardship by the Land Trust at Beaulieu, Chelmsford



Green space adds real value to developments, but it is vital that such spaces are maintained after the new place is built. At their Beaulieu development, on the outskirts of Chelmsford, developers Countryside and L&Q recognised this, and chose the Land Trust to take on the long-term ownership and management of the green infrastructure on the site. By the end of the 20-year build-out, the Land Trust will manage the 72 hectares of parks and open spaces incorporated into the original masterplan, ranging from formal parks, village greens and children's play areas to orchards, community gardens and natural meadows.

As the development progresses, the open space is being transferred in phases to Beaulieu Estate Management Ltd, a wholly owned subsidiary of the Land Trust. Currently, the Land Trust is engaging with residents of 185 homes, with this increasing to over 3,000 by the time development is complete. The Land Trust will take care of the estate parkland indefinitely on behalf of, and in partnership with, the Beaulieu residents and the wider local community through the collection and administration of a service charge. And as with all of its sites, the Land Trust is encouraging residents to engage, provide feedback and views, establish a 'friends' group, participate and run community events, and help shape how green spaces are maintained and used.

The Land Trust believes that development is not just about buildings or cutting the grass around buildings – it is about creating communities; creating places in which people will want to live, work and play. By incorporating the set-up costs and a sustainable funding structure at inception, Countryside and L&Q are aiming to ensure that the new community they are creating will continue to be well maintained during the build-out phase and long into the future.

Further information is available from the Land Trust, at <http://thelandtrust.org.uk/space/beaulieu-chelmsford/>

6.3 Community management at Chilmington Green, Ashford

Chilmington Green is a new community of up to 5,750 homes to the south west of Ashford, with associated infrastructure that includes schools and a wide range of community facilities. The outline planning application for the development was approved in October 2014. Following lengthy research into the best way to secure long-term stewardship objectives, it was agreed (and set out as part of an area action plan for the site) to take a community management approach, to give residents real influence on their community. The Chilmington Green Community Management Organisation (CMO) will be a charitable company and will levy an annual estate rent charge on residential freeholders and landlords of residential property. This indexed-linked levy (with a capped ceiling) will contribute to meeting the costs of landscaping open space, management of the public realm, and the maintenance and replacement of built community assets. The CMO will also be endowed with some commercial property, and will receive a ten-year developer deficit grant. The business model provides a strong financial base from which the CMO can operate confidently from the outset and well into the long term, caring for community facilities and providing a varied programme of activities which meets residents' needs.

Ashford Borough Council has taken an innovative approach to securing the basis upon which the CMO will operate, its funding streams and governance arrangements, using a section 106 agreement. Before the agreement was signed, significant business modelling took place to reassure the council that the CMO was viable in the long term. The governance arrangements have been structured to ensure an equal balance of representation (between the developers and other parties) throughout the development process and a clear hand-over of control to residents when the developers leave the site. This required many months of negotiation and is supported by a framework agreement setting out key elements to be agreed with the key parties (developers, the council, and the CMO board) before some decisions are taken. There are section 106 obligations on the developers to consult the CMO and the community on related matters, including sign-off on consultation briefs and design briefs and specifications for key community facilities. The likelihood is that the CMO will in any case be working with the developer team to shape these documents and approaches.

The council has developed an early community development strategy which spans the first three years of development, providing opportunities for early engagement and involvement in decision-making by the community. The strategy provides a framework for the multiplicity of partners to use in order to deliver community development activity, and focuses activity on the early section 106 deliverables.

As part of pre-commencement conditions, the developers had to submit a 20-year business plan (with a focus on the first five years) to demonstrate that the CMO was viable, that the focus for delivery met the aspirations of all parties, and that the scale of resources (primarily staffing) was appropriate to need and in line with the facilities/assets to be adopted by the CMO. The plan was submitted in March 2017. Leading up to the first occupation (currently planned for autumn 2018), the developer team must also discharge a number of conditions associated with the CMO, including setting up a CMO working group, funding the set-up costs of the CMO and early community development work, incorporation of the CMO as a limited company, location and provision of the first CMO temporary premises, and the development of a welcome pack for residents. The council is working in partnership with the developers to set up the CMO and has created a CMO team of three part-time officers, part funded by the section 106 contributions and through a sum dedicated by the council. The CMO team, which has been in place since March 2016, will dissolve once the CMO staff are recruited (following a short hand-over period).

Further details of the Chilmington Green CMO are set out in 'Asset stewardship in a new community', an article by SallyAnne Logan and Paul Naylor of Ashford Borough Council in the November 2017 edition of the TCPA's *Town & Country Planning* journal.

6.4 Stewardship through Local Plans in North Essex

The concept of long-term stewardship coupled with local governance has been a cornerstone of the evolution of the proposed North Essex Garden Communities from the start. The North Essex Garden Communities Charter developed by the four local authorities involved (Colchester Borough, Tendring District, Braintree District, and Essex County Councils) sets out a series of guiding principles for the proposed new communities. Principle 8 addresses active local stewardship and states that: 'The Garden Communities will be developed and managed in perpetuity with the direct involvement of their residents and businesses; residents will be directly engaged in the long-term management and stewardship, fostering a shared sense of ownership and identity.' Implementation of this principle focuses on creating assets that foster the emergence of community and on provision for long-term stewardship and social sustainability.

The need for long-term stewardship has also been embedded in the policies relating to North Essex Garden Communities in the joint section 1 of the publication draft aligned Local Plans produced by the three local authorities.

At an early stage in the development of the garden communities appropriate and sustainable long-term governance and stewardship arrangements will be established for community assets including green space, public realm areas and community and other relevant facilities. Such arrangements are to be funded by the developments and include community representation to ensure that residents have a stake in the long-term development, stewardship and management of their community.

To help develop thinking on stewardship, the local authorities established a small working group to look at the potential remit of stewardship bodies for the three garden communities. The working group comprised legal and financial officers from the local authorities, the garden communities project manager, and representatives from the Homes and Communities Agency and Garden City Developments Ltd (a community interest company offering advice on Garden City style developments). It looked at appropriate legal formats for the stewardship bodies; the financial implications of ensuring that they are properly funded; how and when they might be established; and what lessons might be learned from other established stewardship bodies.

While some form of charitable trust provides good protection for a stewardship entity and enables local governance, other legal formats are also still under consideration. The working group is undertaking further work on assessing the financial implications of funding the stewardship bodies.

While it is agreed that it is important to establish the stewardship bodies early on, it is likely that a final decision on their format and establishment will not be made until the delivery vehicle charged with responsibility for delivering North Essex Garden Communities has been established.

Further information is available from <http://www.ne-gc.co.uk/about/>

6.5 Managing community assets at Whitehill & Bordon

East Hampshire District Council



New natural play area at Whitehill & Bordon

By 2030, the new community at Whitehill & Bordon will have transformed the land used by a former garrison into a new 'green town' comprising 3,350 homes and nearly 100,000 square metres of new commercial, retail and leisure floorspace, and offering 5,500 jobs. The current extensive green infrastructure provided throughout the existing town and garrison site will form an important asset for leisure and biodiversity, and will be a major component in the project's 'Healthy New Town' status.

The community will inherit the guardianship of these assets after the town is completed. The Whitehill & Bordon Community Trust will deliver events and activities alongside the management of physical assets. In recognition of the once-in-a-generation opportunity to secure a legacy for new and existing residents, the Trust was formed in 2017 as a community development trust, and includes representation from the local councils, the developer, and the community. It is underwritten by the developer for five years to ensure that it is given the best chance of success. Longer-term funding will be generated from events and activities, as well as by a service charge on residential and commercial properties. The Trust will commission services, apply for grant, and manage community assets. The greatest challenge is integrating the Trust into existing activity within the town, as there is already a significant amount going on in the existing community, with a range of stakeholders. The Trust will need to demonstrate very quickly that it can deliver and so become a valued part of the community and voluntary sector helping to integrate the new and existing communities.

A strategic management organisation (SMO) will also be established to provide oversight of long-term management arrangements for the larger pieces of green infrastructure across the site. The SMO will seek advice and support from other partners, such as the Whitehill & Bordon Regeneration Company, the Defence Infrastructure Organisation (DIO, the asset-owning arm of the Ministry of Defence), East Hampshire District Council, Whitehill Town Council, and Whitehill & Bordon Community Trust. The SMO will be created with a 'one owner' approach to unite these bodies under one organisation, providing consistency across the development in terms of legal, procurement, performance specification and monitoring requirements for green infrastructure management. DIO will retain ownership of the larger areas of green infrastructure during the life of the development, as it wants to be confident that these spaces will be managed appropriately over the long term before the land-holding is transferred to the SMO over the coming years. If successful, this model might be replicated on other sites currently in DIO ownership. Delivery commenced in 2017, with an expected 12-15 year development period. The establishment of the SMO within the next six to eight months is crucial.

Further information is available from <http://whitehillbordon.com/>

TCPA publications on Garden Cities and long-term stewardship

- *Creating Garden Cities and Suburbs Today: A Guide for Councils*. Mar. 2013.
<https://www.tcpa.org.uk/Handlers/Download.ashx?IDMF=728ee8cf-ef8f-4c51-bc5c-8c4bbd1eab9f>
- *The Art of Building a Garden City – Garden City Standards for the 21st Century*. Jul. 2014.
<https://www.tcpa.org.uk/Handlers/Download.ashx?IDMF=15aa0250-9200-491a-9f56-b81475df64ad>
- *Built Today, Treasured Tomorrow – A Good Practice Guide to Long-Term Stewardship*. Jan. 2014. <https://www.tcpa.org.uk/built-today-treasured-tomorrow2014>
- *New Towns and Garden Cities – Lessons for Tomorrow. Stage 2: Lessons for Delivering a New Generation of Garden Cities*. Sept. 2015.
<https://www.tcpa.org.uk/Handlers/Download.ashx?IDMF=62a09e12-6a24-4de3-973f-f4062e561e0aa>

Garden City Standards for the 21st Century: Practical Guides for Creating Successful New Communities

The TCPA has produced a suite of guidance outlining practical steps for all those interested in making 21st-century Garden Cities a reality. Guidance provides detail and case studies on a wide range of key issues, including planning, investment, land assembly, delivery, and long-term stewardship:

- *Guide 1: Locating and Consenting New Garden Cities* (2017)
- *Guide 2: Finance and Delivery* (2017)
- *Guide 3: Design and Masterplanning* (2017)
- *Guide 4: Planning for Energy and Climate Change* (2016)
- *Guide 5: Homes for All* (2016)
- *Guide 6: I'd Love to Live There! Planning for Culture and the Arts* (2016)
- *Guide 7: Planning for Green and Prosperous Places* (2017)
- *Guide 8: Healthy Bodies, Healthy Minds: Creating Health-Promoting Environments* (2017)
- *Guide 9: Long-Term Stewardship* (2017)

All available at <https://www.tcpa.org.uk/guidance-for-delivering-new-garden-cities>

Other sources of information on long-term stewardship

- Ashford Borough Council (Chilmington Green)
<https://www.ashford.gov.uk/planning-and-building-control/major-new-developments/chilmington-green/>
- Bournville Village Trust
<https://www.bvt.org.uk/>
- Greater London Authority (on natural capital accounting)
<https://www.ashford.gov.uk/planning-and-building-control/major-new-developments/chilmington-green/>
- Hampstead Garden Suburb Trust
<http://www.hgstrust.org/>

- Homes and Communities Agency
<https://www.gov.uk/government/organisations/homes-and-communities-agency>
 The Homes and Communities Agency can provide specific advice on large-scale development and the government's Locally-Led Garden Villages, Towns and Cities programme. For further details on the programme, contact Fionnuala Lennon at Fionnuala.Lennon@hca.gsi.gov.uk

- Joseph Rowntree Housing Trust
<https://www.jrht.org.uk/>
 Research on the experience of early communities at Derwenthorpe is available at https://www.york.ac.uk/media/yesi/researchoutputs/life_at_derwenthorpe_full_report_Jan2016.pdf

- Letchworth Garden City Heritage Foundation
<http://www.leitchworth.com/heritage-foundation>

- Locality
<http://locality.org.uk/our-work/assets/>

- Milton Keynes Community Foundation
<http://www.mkcommunityfoundation.co.uk/>

- National Community Land Trust Network
<http://www.communitylandtrusts.org.uk/home>

- National Custom and Self Build Association
<http://www.nacsba.org.uk/>

- Planning Advisory Service
<https://www.local.gov.uk/pas>

- TCPA New Communities Group (NCG)
<https://www.tcpa.org.uk/new-communities-group>

- The Land Trust
<http://thelandtrust.org.uk/>

- The Parks Trust, Milton Keynes
<http://www.theparkstrust.com/>

- UK Cohousing Network
<https://cohousing.org.uk/>